

Amendments to Senate Bill No. 396
1st Reading Copy

Requested by Senator Kim Gillan

For the Senate Taxation Committee

Prepared by Lee Heiman
March 24, 2011 (8:48am)

1. Title, line 9.

Following: "PROPERTY;"

Insert: "PROVIDING SPECIAL SOURCING RULES WHEN THE ORGANIZATIONAL
STRUCTURE OF A BUSINESS IS CHANGED TO AVOID MONTANA TAX;"

2. Page 5, line 6.

Strike: "and"

Following: "(18) (b) (iv)"

Insert: ", and (18) (b) (v) "

3. Page 5.

Following: line 17

Insert: "(iv) If the organizational form of a trade or business
is changed in anticipation of disposition of one or more
interests in the business for the purpose of avoiding
Montana tax, Montana source income includes all gain
attributable to the taxpayer's conduct of a trade or
business in Montana, determined as if the assets of the
trade or business had been sold before the change in
organizational form and the taxpayer received the taxpayer's
distributive share of the proceeds of the asset sale."

Renumber: subsequent subsections

- END -